

Attorney Docket No. 062834-0189

## REMARKS

Claims 1, 4, 5, 6, 7, 10, 11, 12, 13, 16, 17, and 18 have been amended. Accordingly, claims 1-18 are currently pending in the present application.

Claims 7 and 13 have been amended to obviate the examiner's rejection under 35 USC 101. The amendments to claim 7 should also obviate the rejection under 35 USC 112 of claims 7-12.

Claim 1 has been added to further protect applicants' invention. This claim defines a system for generating a series of alerts in the process of managing a relationship between independent stores, an independent supply chain manager and distributors in a franchise supply chain context. The claim includes the limitations of a supply chain manager receiving an authorization to negotiate prices for the provision of products by distributors to independent stores in the franchise supply chain; and the supply chain manager negotiating with a distributor a mark up amount to be added to a cost of products obtained from a supplier. These limitations place the claim squarely in the context of management of an independent supply chain operation. See page 86 for one of the bases in the specification for this limitation. The claim further requires the independent supply chain management system collecting sales data from a product promotion from a plurality of independent stores of a supply chain utilizing a network, the data relating to the sale of goods by the independent stores; and allowing access to the data utilizing a network-based interface. The claim further calls for the limitations of tracking the sales data against forecasted sales on a periodic basis; and generating a first alert if a deviation of the sales data relative to the forecasted sales exceeds a threshold. The basis for these limitations may be found at least at page 42 of the specification and are directed to determining when and how orders to distributors should be generated and sent.

The claim further includes the independent supply chain management system generating and then sending out directly or indirectly via at least one of the independent stores to a distributor an electronic order form to be fulfilled to at least the one of the independent stores based on the sales data relating to multiple completed sales of goods by the at least one independent store of the supply chain, determining

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whether the confirmation of the receipt of the electronic order form is received by the independent supply chain management system from the distributor; and the independent supply chain management system generating a second alert upon determining that the independent supply chain management system did not receive the confirmation of the receipt of the electronic order form from the distributor. The limitations relate to actually generating and sending out the order, and making sure that it was really received by the distributor. As noted previously, such confirmation is frequently problematic when the fulfillment is to be with the independent store, rather than with the entity initiating the order.

Additionally, the claim includes limitations relating to enforcing the mark up amounts in the contracts negotiated with the various distributors. Again, such steps are necessary because of the context of the supply chain manager negotiating the contracts, but the actual fulfillment being with the independent stores. These limitations include the independent supply chain management system determining a mark up added to the products delivered to one of the independent stores; independent supply chain management system comparing the mark up added to the mark up negotiated by the supply chain manager; and generating a third alert if a discrepancy is found.

It can be seen that claim 1 covers a comprehensive method for managing the supply chain relationship with distributors. These limitations are not taught or suggested by the prior art.

Claims 1-18 have been rejected under 35 USC 103 as being unpatentable over the two-reference combination of Duffy et al. in view of Teglovic et al.. This rejection is respectfully traversed and reconsideration thereof is requested.

This rejection is directed to only a single alert, and not the comprehensive system now covered by the claims. To respond to the points made in this rejection, note that the particular alert claimed in the previous claims was in the context of an independent supply chain management system within a supply chain automatically generating an order form for additional inventory for a store, not at the initiation by the store, but based on sales data from that store. The order form is then sent out either directly to a distributor associated with that store, or indirectly after store approval,

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and may be for a plurality of stores based on their respective sales data. The distributor will not be expecting the order. Also, because the distributor's normal relationship and the called-for delivery of inventory is with and to the individual store, the distributor may neglect to send a confirmation to the independent supply chain management system that initiated the order. Thus, an order may or may not have been filled and the initiating entity would have no way of verifying that fact. This is a fundamental problem in an independent supply chain management framework that handles the inventory ordering for hundreds or thousands of stores, but may or may not have control over those stores or their associated distributors. A further point is that when the processor in the system does determine that a confirmation has not been received, then an alert must go out at least to a human in the system, and in a preferred embodiment, to the pertinent parties for the transaction in the supply chain. A fundamental point that drives this aspect of the claim is that the order form to the distributor was generated and sent by the independent supply chain management system itself either directly or indirectly, but the supply chain management system is not the normal party in the fulfillment relationship with the distributor, namely the store.

Duffy discloses a system for managing specifications for inputs relating to packaging, ingredients, raw materials, and finished goods, and also a system for generating a request template for an item. The examiner cites various paragraphs relating to populating a request for quotation with information to identify the packaging or products, and sending out purchase orders, and also accounting modules for generating orders, filling orders, generating invoices and paying invoices, and as well as tracking shipped goods and supplier performance. There is no disclosure or suggestion of the problem of the present invention, which is in the context of generating and sending out an electronic order form to a distributor based on the data relating to multiple completed sales of goods by a store of the supply chain, probably with, but possibly without store approval, and may be based on the sales for a plurality of stores handled by the distributor. The distributor typically will not be expecting the order. Also, because the distributor's normal relationship and the called-for delivery of inventory is with and to the individual store, the distributor may neglect to send a confirmation to the independent supply chain management system that initiated the

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order (an occurrence that is not unusual). Thus, an order may or may not have even been received and logged in by the distributor and the initiating entity would have no way of verifying that fact. This is a fundamental problem in an independent supply chain management framework that handles the inventory ordering for hundreds or thousands of stores, but may or may not have control over those stores or their associated distributors. No confirmation request is disclosed in Duffy, and no alert is disclosed if no confirmation of receipt is received from the supplier.

The examiner notes this deficiency, but states that it is remedied by Teglovic et al. Teglovic discloses a system for the real-time exchange of customer information including a preferred inter-exchange carrier PIC order (a request to a LEC to change a customer's long distance phone carrier (PIC code) in the LEC switch). The examiner points to column 6, lines 8-14 and claims 13 and 17, which relate to sending out a page to a specified number to notify appropriate personnel if a confirmation of the PIC order is not received. Teglovic does not receive sales data from franchise stores and generate and send out an order based thereon. Teglovic does not send out a request for a confirmation of order receipt. Teglovic sends out a confirmation that an order has been received only after fulfillment of the order, i.e., after the "the LEC has processed the PIC order and updated its switch." See column 5, lines 44-46. Teglovic is not concerned with the problem of determining whether there has been a failure of fulfillment in the context of the fulfillment being with a third party.

The other limitations added to create the comprehensive alert system to manage the relationship between independent stores, an independent supply chain manager and distributors in a franchise supply chain context are not disclosed in these references.

Claims 2-6 depend from claim 1 and further define additional bases of novelty and non-obviousness. Thus, these claims should be allowable for the reasons cited above and for their additional limitations.

Claims 7-12 define the invention in system format, and claims 13-18 define the invention in program product format. These claims should be allowable for the reasons cited above.